

## **FISCAL NOTE**

### **HB 2492 - SB 3226**

February 29, 2008

**SUMMARY OF BILL:** Requires the Bureau of TennCare to determine any subrogation interest and respond within 30 days to a plaintiff's attorney inquiry during personal injury cases.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$23,000/One-Time  
\$439,300/Recurring**

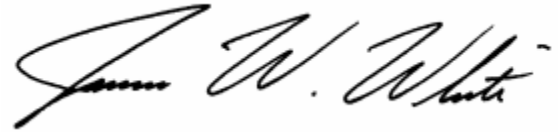
**Other Fiscal Impact – Increase Federal Expenditures –  
\$23,000/One-Time  
\$439,300/Recurring**

#### **Assumptions:**

- Currently, subrogation interest is a responsibility of the managed care organizations that contract with TennCare.
- TennCare will establish an office which will require five administrative services assistants (ASA) to handle the case intake and clerical support and four attorneys to respond to subrogation cases resulting in an increase in expenditures of \$924,577.
- This amount includes recurring expenditures of \$628,677 for salaries (\$421,242), benefits (\$147,435), communications and networking (\$13,700), office leases (\$36,900), supplies (\$5,400) and the attorneys' annual fees (\$4,000). Also included are one-time expenditures of \$45,900 for computers (\$14,400), printers (\$7,200) and office set-up (\$24,300).
- The implementation of a dedicated phone number and call center is estimated to result in an increase in recurring expenditures of \$250,000.
- The total increase in recurring expenditures is \$878,677 and one-time expenditures is \$45,900.
- The Bureau of TennCare will receive a 50 percent federal match rate resulting in an increase in recurring federal expenditures of \$439,339 and one-time federal expenditures of \$22,950.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml